

## **IC 27-1-15.6**

### **Chapter 15.6. Insurance Producers**

#### **IC 27-1-15.6-1**

##### **Applicability of chapter**

Sec. 1. This chapter governs the qualifications and procedures for the licensing of insurance producers. This chapter does not apply to surplus lines producers licensed under IC 27-1-15.8 except as specifically provided in this chapter or in IC 27-1-15.8.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-2**

##### **Definitions**

Sec. 2. The following definitions apply throughout this chapter, IC 27-1-15.7, and IC 27-1-15.8:

- (1) "Bureau" refers to the child support bureau of the division of family and children established under IC 12-17-2-5.
- (2) "Business entity" means a corporation, an association, a partnership, a limited liability company, a limited liability partnership, or another legal entity.
- (3) "Commissioner" means the insurance commissioner appointed under IC 27-1-1-2.
- (4) "Consultant" means a person who:
  - (A) holds himself or herself out to the public as being engaged in the business of offering; or
  - (B) for a fee, offers;any advice, counsel, opinion, or service with respect to the benefits, advantages, or disadvantages promised under any policy of insurance that could be issued in Indiana.
- (5) "Delinquent" means the condition of being at least:
  - (A) two thousand dollars (\$2,000); or
  - (B) three (3) months;past due in the payment of court ordered child support.
- (6) "Home state" means the District of Columbia or any state or territory of the United States in which an insurance producer:
  - (A) maintains the insurance producer's principal place of residence or principal place of business; and
  - (B) is licensed to act as an insurance producer.
- (7) "Insurance producer" means a person required to be licensed under the laws of Indiana to sell, solicit, or negotiate insurance.
- (8) "License" means a document issued by the commissioner authorizing a person to act as an insurance producer for the lines of authority specified in the document. The license itself does not create any authority, actual, apparent, or inherent, in the holder to represent or commit an insurance carrier.
- (9) "Limited line credit insurance" includes the following:
  - (A) Credit life insurance.
  - (B) Credit disability insurance.
  - (C) Credit property insurance.
  - (D) Credit unemployment insurance.

- (E) Involuntary unemployment insurance.
- (F) Mortgage life insurance.
- (G) Mortgage guaranty insurance.
- (H) Mortgage disability insurance.
- (I) Guaranteed automobile protection (gap) insurance.
- (J) Any other form of insurance:
  - (i) that is offered in connection with an extension of credit and is limited to partially or wholly extinguishing that credit obligation; and
  - (ii) that the insurance commissioner determines should be designated a form of limited line credit insurance.
- (10) "Limited line credit insurance producer" means a person who sells, solicits, or negotiates one (1) or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy.
- (11) "Limited lines insurance" means any of the following:
  - (A) The lines of insurance defined in section 18 of this chapter.
  - (B) Any line of insurance the recognition of which is considered necessary by the commissioner for the purpose of complying with section 8(e) of this chapter.
  - (C) For purposes of section 8(e) of this chapter, any form of insurance with respect to which authority is granted by a home state that restricts the authority granted by a limited lines producer's license to less than total authority in the associated major lines described in section 7(a)(1) through 7(a)(6) of this chapter.
- (12) "Limited lines producer" means a person authorized by the commissioner to sell, solicit, or negotiate limited lines insurance.
- (13) "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.
- (14) "Person" means an individual or a business entity.
- (15) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of a company.
- (16) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.
- (17) "Surplus lines producer" means a person who sells, solicits, negotiates, or procures from an insurance company not licensed to transact business in Indiana an insurance policy that cannot be procured from insurers licensed to do business in Indiana.
- (18) "Terminate" means:
  - (A) the cancellation of the relationship between an insurance producer and the insurer; or
  - (B) the termination of a producer's authority to transact insurance.
- (19) "Uniform business entity application" means the current

version of the national association of insurance commissioners uniform business entity application for resident and nonresident business entities.

(20) "Uniform application" means the current version of the national association of insurance commissioners uniform application for resident and nonresident producer licensing.

*As added by P.L.132-2001, SEC.3. Amended by P.L.182-2001, SEC.1.*

### **IC 27-1-15.6-3**

#### **Required licensing**

Sec. 3. (a) A person shall not sell, solicit, or negotiate insurance in Indiana for any class or classes of insurance unless the person is licensed for that line of authority under this chapter.

(b) An insurer shall require a person who sells, solicits, or negotiates insurance in Indiana by any means of communication on behalf of the insurer to be licensed under this chapter.

(c) A violation of subsection (b) is deemed an unfair method of competition and an unfair and deceptive act and practice in the business of insurance under IC 27-4-1-4.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-4**

#### **Insurance producer license; when not required**

Sec. 4. (a) As used in this section, "insurer" does not include an officer, director, employee, subsidiary, or affiliate of an insurer.

(b) This chapter does not require an insurer to obtain an insurance producer license.

(c) The following are not required to be licensed as an insurance producer:

(1) An officer, director, or employee of an insurer or of an insurance producer, if the officer, director, or employee does not receive any commission on policies written or sold to insure risks that reside, are located, or are to be performed in Indiana, and if:

(A) the officer, director, or employee's activities are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance;

(B) the officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or

(C) the officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers and the officer, director, or employee's activities are limited to providing technical advice and assistance to licensed insurance producers and do not include the sale, solicitation, or negotiation of insurance.

(2) A person who secures and furnishes information for the purpose of:

(A) group life insurance, group property and casualty insurance, group annuities, group or blanket accident and

- sickness insurance;
- (B) enrolling individuals under plans;
- (C) issuing certificates under plans or otherwise assisting in administering plans; or
- (D) performing administrative services related to mass marketed property and casualty insurance;

where no commission is paid to the person for the service.

(3) A person identified in clauses (A) through (C) who is not in any manner compensated, directly or indirectly, by a company issuing a contract, to the extent that the person is engaged in the administration or operation of a program of employee benefits for the employer's or association's employees, or for the employees of a subsidiary or affiliate of the employer or association, that involves the use of insurance issued by an insurer:

- (A) An employer or association.
- (B) An officer, director, or employee of an employer or association.
- (C) The trustees of an employee trust plan.

(4) An:

- (A) employee of an insurer; or
- (B) organization employed by insurers;

that is engaged in the inspection, rating, or classification of risks, or in the supervision of the training of insurance producers, and that is not individually engaged in the sale, solicitation, or negotiation of insurance.

(5) A person whose activities in Indiana are limited to advertising, without the intent to solicit insurance in Indiana, through communications in printed publications or other forms of electronic mass media whose distribution is not limited to residents of Indiana, provided that the person does not sell, solicit, or negotiate insurance that would insure risks residing, located, or to be performed in Indiana.

(6) A person who is not a resident of Indiana and who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract, provided that:

- (A) the person is otherwise licensed as an insurance producer to sell, solicit, or negotiate the insurance in the state where the insured maintains its principal place of business; and
- (B) the contract of insurance insures risks located in that state.

(7) A salaried full-time employee who counsels or advises the employee's employer about the insurance interests of the employer or of the subsidiaries or business affiliates of the employer, provided that the employee does not sell or solicit insurance or receive a commission.

(8) A representative of a county farmers mutual insurance company.

(9) An officer, employee, or representative of a rental company (as defined in IC 24-4-9-7) who negotiates or solicits insurance incidental to and in connection with the rental of a motor vehicle.

*As added by P.L.132-2001, SEC.3.*

## **IC 27-1-15.6-5**

### **Licensing examination**

Sec. 5. (a) A resident individual applying for:

- (1) an insurance producer license;
- (2) a consultant's license; or
- (3) a surplus lines producer license;

must pass a written examination unless the individual is exempt under section 9 of this chapter.

(b) The examination required under subsection (a) must test the knowledge of the individual concerning the:

- (1) lines of authority for which application is made;
- (2) duties and responsibilities of a licensee; and
- (3) insurance laws and administrative rules of Indiana.

(c) Examinations required under this section must be developed and conducted under rules adopted by the commissioner.

(d) The commissioner may make arrangements, including contracting with an outside testing service, for administering examinations, collecting the nonrefundable examination fee as established by contract with an outside testing service, or collecting the nonrefundable licensure fee set forth in section 32 of this chapter.

(e) An individual who fails to appear for the examination required under subsection (a) as scheduled or who fails to pass the examination must reapply for an examination and remit all required fees and forms before being rescheduled for another examination.

*As added by P.L.132-2001, SEC.3. Amended by P.L.1-2002, SEC.105.*

## **IC 27-1-15.6-6**

### **Application for resident insurance producer**

Sec. 6. (a) A person applying for a resident insurance producer license shall make application to the commissioner on the uniform application and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief.

(b) Before approving an application submitted under subsection (a), the commissioner must find that the individual meets the following requirements:

- (1) Is at least eighteen (18) years of age.
- (2) Has not committed any act that is a ground for denial, suspension, or revocation under section 12 of this chapter.
- (3) Has completed, if required by the commissioner, a certified preclicensing course of study for the lines of authority for which the individual has applied.
- (4) Has paid the nonrefundable fee set forth in section 32 of this chapter.
- (5) Has successfully passed the examinations for the lines of authority for which the individual has applied.

(c) An applicant for a resident insurance producer license must file with the commissioner on a form prescribed by the commissioner a certification of completion certifying that the applicant has completed an insurance producer program of study certified by the commissioner

under IC 27-1-15.7-5 not more than six (6) months before the application for the license is received by the commissioner. This subsection applies only to licensees seeking qualification in the lines of insurance described in sections 7(a)(1) through 7(a)(6) of this chapter.

(d) A business entity, before acting as an insurance producer, is required to obtain an insurance producer license. The application submitted by a business entity under this subsection must be made using the uniform business entity application. Before approving the application, the commissioner must find that the business entity has:

- (1) paid the fees required under section 32 of this chapter; and
- (2) designated an individual licensed producer responsible for the business entity's compliance with the insurance laws and administrative rules of Indiana.

(e) The commissioner may require any documents reasonably necessary to verify the information contained in an application submitted under this subsection.

(f) An insurer that sells, solicits, or negotiates any form of limited line credit insurance shall provide a program of instruction approved by the commissioner to each individual whose duties will include selling, soliciting, or negotiating limited line credit insurance.

*As added by P.L.132-2001, SEC.3. Amended by P.L.1-2002, SEC.106.*

## **IC 27-1-15.6-7**

### **Insurance producer licenses; qualifications; expiration; renewal; registry**

Sec. 7. (a) Unless denied licensure under section 12 of this chapter, a person who has met the requirements of sections 5 and 6 of this chapter shall be issued an insurance producer license. An insurance producer may receive qualification for a license in one or more of the following lines of authority:

- (1) Life — insurance coverage on human lives, including benefits of endowment and annuities, that may include benefits in the event of death or dismemberment by accident and benefits for disability income.
- (2) Accident and health or sickness — insurance coverage for sickness, bodily injury, or accidental death that may include benefits for disability income.
- (3) Property — insurance coverage for the direct or consequential loss of or damage to property of every kind.
- (4) Casualty — insurance coverage against legal liability, including liability for death, injury, or disability, or for damage to real or personal property.
- (5) Variable life and variable annuity products — insurance coverage provided under variable life insurance contracts and variable annuities.
- (6) Personal lines — property and casualty insurance coverage sold to individuals and families for primarily noncommercial purposes.
- (7) Credit — limited line credit insurance.
- (8) Any other line of insurance permitted under Indiana laws or

administrative rules.

(b) A person who requests and receives qualification under subsection (a)(5) for variable life and annuity products:

(1) is considered to have requested; and

(2) shall receive;

a life qualification under subsection (a)(1).

(c) A resident insurance producer may not request separate qualifications for property insurance and casualty insurance under subsection (a).

(d) An insurance producer license remains in effect unless revoked or suspended, as long as the renewal fee set forth in section 32 of this chapter is paid and the educational requirements for resident individual producers are met by the due date.

(e) An individual insurance producer who:

(1) allows the individual insurance producer's license to lapse; and

(2) completed all required continuing education before the license expired;

may, not more than twelve (12) months after the expiration date of the license, reinstate the same license without the necessity of passing a written examination. A penalty in the amount of three (3) times the unpaid renewal fee shall be required for any renewal fee received after the expiration date of the license. However, the department of insurance may waive the penalty if the renewal fee is received not more than thirty (30) days after the expiration date of the license.

(f) A licensed insurance producer who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance may request a waiver of the license renewal procedures. The producer may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with the license renewal procedures.

(g) An insurance producer license shall contain the licensee's name, address, personal identification number, date of issuance, lines of authority, expiration date, and any other information the commissioner considers necessary.

(h) A licensee shall inform the commissioner of a change of address not more than thirty (30) days after the change by any means acceptable to the commissioner. The failure of a licensee to timely inform the commissioner of a change in legal name or address shall result in a penalty under section 12 of this chapter.

(i) To assist in the performance of the commissioner's duties, the commissioner may contract with non-governmental entities, including the National Association of Insurance Commissioners (NAIC), or any affiliates or subsidiaries that the NAIC oversees, to perform ministerial functions, including the collection of fees related to producer licensing, that the commissioner and the non-governmental entity consider appropriate.

(j) The commissioner may participate, in whole or in part, with the NAIC or any affiliate or subsidiary of the NAIC in a centralized insurance producer license registry through which insurance producer licenses are centrally or simultaneously effected for states that require

an insurance producer license and participate in the centralized insurance producer license registry. If the commissioner determines that participation in the centralized insurance producer license registry is in the public interest, the commissioner may adopt rules under IC 4-22-2 specifying uniform standards and procedures that are necessary for participation in the registry, including standards and procedures for centralized license fee collection.

*As added by P.L.132-2001, SEC.3.*

## **IC 27-1-15.6-8**

### **Nonresident producer license**

Sec. 8. (a) Unless denied licensure under section 12 of this chapter, a nonresident person shall receive a nonresident producer license if:

- (1) the person is currently licensed as a resident and in good standing in the person's home state;
- (2) the person has submitted the proper request for licensure and has paid the fees required under section 32 of this chapter;
- (3) the person has submitted or transmitted to the commissioner:
  - (A) the application for licensure that the person submitted to the person's home state; or
  - (B) a completed uniform application; and
- (4) the person's home state awards non-resident producer licenses to residents of Indiana on the same basis as non-resident producer licenses are awarded to residents of other states under this chapter.

(b) The commissioner may verify a producer's licensing status through the Producer Database maintained by the National Association of Insurance Commissioners and its affiliates or subsidiaries.

(c) A:

- (1) person who holds an Indiana nonresident producer's license and moves from one state to another state; or
- (2) a resident producer who moves from Indiana to another state;

shall file a change of address with the Indiana department of insurance and provide certification from the new resident state not more than thirty (30) days after the change of legal residence. No fee or license application is required under this subsection.

(d) Notwithstanding any other provision of this chapter, a person licensed as a surplus lines producer in the person's home state shall receive a nonresident surplus lines producer license under subsection (a). Except as provided in subsection (a), nothing in this section otherwise amends or supercedes IC 27-1-15.8, as added by this act.

(e) Notwithstanding any other provision of this chapter, a person who is not a resident of Indiana and who is licensed as a limited lines credit insurance producer or another type of limited lines producer in the person's home state shall, upon application, receive a nonresident limited lines producer license under subsection (a) granting the same scope of authority as is granted under the license issued by the person's home state.

*As added by P.L.132-2001, SEC.3.*



## **IC 27-1-15.6-9**

### **Prelicensing education; exemptions**

Sec. 9. (a) An individual who applies for an insurance producer license in Indiana and who was previously licensed for the same lines of authority in another state is not required to complete any prelicensing education or examination. However, the exemption provided by this subsection is available only if:

- (1) the individual is currently licensed in the other state; or
- (2) the application is received within ninety (90) days after the cancellation of the applicant's previous license and:
  - (A) the other state issues a certification that, at the time of cancellation, the applicant was in good standing in that state; or
  - (B) the state's Producer Database records that are maintained by the National Association of Insurance Commissioners, its affiliates, or its subsidiaries, indicate that the producer is or was licensed in good standing for the line of authority requested.

(b) If a person is licensed as an insurance producer in another state and moves to Indiana, the person, to be authorized to act as an insurance producer in Indiana, must make application to become a resident licensee under section 6 of this chapter within ninety (90) days after establishing legal residence in Indiana. However, the person is not required to take prelicensing education or examination to obtain a license for any line of authority for which the person held a license in the other state unless the commissioner determines otherwise by rule.

(c) An individual who:

- (1) has attained the designation of chartered life underwriter, certified financial planner, or chartered financial consultant; and
  - (2) applies for an insurance producer license in Indiana requesting qualification under sections:
    - (A) 7(a)(1);
    - (B) 7(a)(2); or
    - (C) 7(a)(5);
- of this chapter;

is not required to complete prelicensing education, and is required to take only the portion of the examination required under section 5(b) of this chapter that pertains to Indiana laws and rules.

(d) An individual who has:

- (1) attained the designation of chartered property and casualty underwriter, certified insurance counselor, or accredited advisor in insurance; and
  - (2) applies for an insurance producer license in Indiana requesting qualification under sections:
    - (A) 7(a)(3);
    - (B) 7(a)(4); or
    - (C) 7(a)(6);
- of this chapter;

is not required to complete prelicensing education, and is required to take only the portion of the examination required under section 5(b) of this chapter that pertains to Indiana laws and rules.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-10**

##### **Use of assumed name**

Sec. 10. Before an insurance producer may do business in Indiana under any name other than the producer's legal name, the insurance producer shall notify the commissioner of the proposed use of the assumed name.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-11**

##### **Temporary insurance producer license**

Sec. 11. (a) If the commissioner considers the issuance of a temporary license necessary for the servicing of an insurance business, the commissioner, without requiring an examination, may issue a temporary insurance producer license for a period of not more than one hundred eighty (180) days to any of the following:

(1) To the surviving spouse or court-appointed personal representative of a licensed individual insurance producer who dies or becomes mentally or physically disabled:

(A) to allow adequate time for the sale of the insurance business owned by the producer;

(B) to provide for the servicing of the insurance business until the recovery or return of the producer to the business; or

(C) to provide for the training and licensing of new personnel to operate the producer's business.

(2) To a member or employee of a business entity licensed as an insurance producer, upon the death or disability of an individual designated in the business entity application or the license.

(3) To the designee of a licensed individual insurance producer entering active service in the armed forces of the United States of America.

(4) To an individual in any other circumstance where the commissioner considers the public interest to be best served by the issuance to the individual of a temporary insurance producer license.

(b) The commissioner may by order limit the authority of a temporary licensee in any way considered necessary to protect insureds and the public. The commissioner may require the temporary licensee to have a suitable sponsor who is a licensed producer or insurer and who assumes responsibility for all acts of the temporary licensee and may impose other, similar requirements designed to protect insureds and the public.

(c) The commissioner may by order revoke a temporary insurance producer license if the interest of insureds or the public are endangered. A temporary insurance producer license issued under subsection (a)(1)(A) expires at the time the owner or the personal representative disposes of the business.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-12**

## enalties

Sec. 12. (a) For purposes of this section, "permanently revoke" means that:

- (1) the producer's license shall never be reinstated; and
- (2) the former licensee, after the license revocation, is not eligible to submit an application for a license to the department.

(b) The commissioner may levy a civil penalty, place an insurance producer on probation, suspend an insurance producer's license, revoke an insurance producer's license for a period of years, permanently revoke an insurance producer's license, or refuse to issue or renew an insurance producer license, or take any combination of these actions, for any of the following causes:

- (1) Providing incorrect, misleading, incomplete, or materially untrue information in a license application.
- (2) Violating:
  - (A) an insurance law;
  - (B) a regulation;
  - (C) a subpoena of an insurance commissioner; or
  - (D) an order of an insurance commissioner;of Indiana or of another state.
- (3) Obtaining or attempting to obtain a license through misrepresentation or fraud.
- (4) Improperly withholding, misappropriating, or converting any monies or properties received in the course of doing insurance business.
- (5) Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.
- (6) Having been convicted of a felony.
- (7) Admitting to having committed or being found to have committed any unfair trade practice or fraud in the business of insurance.
- (8) Using fraudulent, coercive, or dishonest practices, or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in Indiana or elsewhere.
- (9) Having an insurance producer license, or its equivalent, denied, suspended, or revoked in any other state, province, district, or territory.
- (10) Forging another's name to an application for insurance or to any document related to an insurance transaction.
- (11) Improperly using notes or any other reference material to complete an examination for an insurance license.
- (12) Knowingly accepting insurance business from an individual who is not licensed.
- (13) Failing to comply with an administrative or court order imposing a child support obligation.
- (14) Failing to pay state income tax or to comply with any administrative or court order directing payment of state income tax.
- (15) Failing to satisfy the continuing education requirements established by IC 27-1-15.7.
- (16) Violating section 31 of this chapter.

(17) Failing to timely inform the commissioner of a change in legal name or address, in violation of section 7(h) of this chapter.

(c) The commissioner shall refuse to:

- (1) issue a license; or
- (2) renew a license issued;

under this chapter to any person who is the subject of an order issued by a court under IC 31-14-12-7 or IC 31-16-12-10 (or IC 31-1-11.5-13(m) or IC 31-6-6.1-16(m) before their repeal).

(d) If the commissioner refuses to renew a license or denies an application for a license, the commissioner shall notify the applicant or licensee and advise the applicant or licensee, in a writing sent through regular first class mail, of the reason for the denial of the applicant's application or the nonrenewal of the licensee's license. The applicant or licensee may, not more than sixty-three (63) days after notice of denial of the applicant's application or nonrenewal of the licensee's license is mailed, make written demand to the commissioner for a hearing before the commissioner to determine the reasonableness of the commissioner's action. The hearing shall be held not more than thirty (30) days after the applicant or licensee makes the written demand, and shall be conducted under IC 4-21.5.

(e) The license of a business entity may be suspended, revoked, or refused if the commissioner finds, after hearing, that a violation of an individual licensee acting on behalf of the partnership or corporation was known or should have been known by one or more of the partners, officers, or managers of the partnership or corporation and:

- (1) the violation was not reported to the commissioner; and
- (2) no corrective action was taken.

(f) In addition to or in lieu of any applicable denial, suspension, or revocation of a license under subsection (b), a person may, after a hearing, be subject to the imposition by the commissioner under subsection (b) of a civil penalty of not less than fifty dollars (\$50) and not more than ten thousand dollars (\$10,000). A penalty imposed under this subsection may be enforced in the same manner as a civil judgement.

(g) A licensed insurance producer or limited lines producer shall, not more than ten (10) days after the producer receives a request in a registered or certified letter from the commissioner, furnish the commissioner with a full and complete report listing each insurer with which the licensee has held an appointment during the year preceding the request.

(h) If a licensee fails to provide the report requested under subsection (g) not more than ten (10) days after the licensee receives the request, the commissioner may, in the commissioner's sole discretion, without a hearing, and in addition to any other sanctions allowed by law, suspend any insurance license held by the licensee pending receipt of the appointment report.

(i) The commissioner shall promptly notify all appointing insurers and the licensee regarding any suspension, revocation, or termination of a license by the commissioner under this section.

(j) The commissioner may not grant, renew, continue, or permit to continue any license if the commissioner finds that the license is being

used or will be used by the applicant or licensee for the purpose of writing controlled business. As used in this subsection, "controlled business" means:

- (1) insurance written on the interests of:
  - (A) the applicant or licensee;
  - (B) the applicant's or licensee's immediate family; or
  - (C) the applicant's or licensee's employer; or
- (2) insurance covering:
  - (A) the applicant or licensee;
  - (B) members of the applicant's or licensee's immediate family; or
  - (C) either:
    - (i) a corporation, limited liability company, association, or partnership; or
    - (ii) the officers, directors, substantial stockholders, partners, members, managers, employees of such a corporation, limited liability company, association, or partnership;of which the applicant or licensee or a member of the applicant's or licensee's immediate family is an officer, director, substantial stockholder, partner, member, manager, associate, or employee.

However, this section does not apply to insurance written or interests insured in connection with or arising out of credit transactions. A license is considered to have been used or intended to be used for the purpose of writing controlled business if the commissioner finds that during any twelve (12) month period the aggregate commissions earned from the controlled business exceeded twenty-five percent (25%) of the aggregate commission earned on all business written by the applicant or licensee during the same period.

(k) The commissioner has the authority to:

- (1) enforce the provisions of; and
- (2) impose any penalty or remedy authorized by;

this chapter or any other provision of this title against any person who is under investigation for or charged with a violation of this chapter or any other provision of this title, even if the person's license or registration has been surrendered or has lapsed by operation of law.

(l) For purposes of this section, the violation of any provision of IC 28 concerning the sale of a life insurance policy or an annuity contract shall be considered a violation described in subsection (b)(2).

(m) The commissioner may order a licensee to make restitution if the commissioner finds that the licensee has committed a violation described in:

- (1) subsection (b)(4);
- (2) subsection (b)(7);
- (3) subsection (b)(8); or
- (4) subsection (b)(16).

(n) The commissioner shall notify the securities commissioner appointed under IC 23-2-1-15 when an administrative action or civil proceeding is filed under this section and when an order is issued under this section denying, suspending, or revoking a license.

*As added by P.L.132-2001, SEC.3. Amended by P.L.182-2001, SEC.2.*

### **IC 27-1-15.6-13**

#### **No consideration given to unlicensed sellers**

Sec. 13. (a) An insurance company or insurance producer shall not pay a commission, service fee, brokerage fee, or other valuable consideration to a person for selling, soliciting, or negotiating insurance in Indiana if the person is required to be licensed under this chapter and is not licensed.

(b) A person shall not accept a commission, service fee, brokerage fee, or other valuable consideration for selling, soliciting, or negotiating insurance in Indiana if the person is required to be licensed under this chapter and is not licensed.

(c) Renewal commissions or other deferred commissions may be paid to a person for selling, soliciting, or negotiating insurance in Indiana if the person was required to be licensed under this chapter and was licensed at the time of the sale, solicitation, or negotiation.

(d) An insurer or insurance producer may pay or assign commissions, service fees, brokerage fees, or other valuable consideration to an insurance agency or to a person who does not sell, solicit, or negotiate insurance in Indiana, unless the payment would violate IC 27-1-20-30.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-14**

#### **Insurance producer acting as agent of insurer**

Sec. 14. An insurance producer shall not act as an agent of an insurer unless the insurance producer becomes an appointed producer of the insurer. An insurance producer who is not acting as an agent of an insurer is not required to become appointed.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-15**

#### **Notification of termination**

Sec. 15. (a) An insurer or authorized representative of an insurer that terminates the appointment, employment, contract, or other insurance business relationship with a producer shall notify the commissioner not more than thirty (30) days after the effective date of the termination using a format prescribed by the commissioner, if:

(1) the reason for termination is described in section 12 of this chapter; or

(2) the insurer has knowledge that the producer was found by a court, a government body, or a self-regulatory organization authorized by law to have engaged in any of the activities described in section 12 of this chapter.

Upon the written request of the insurance commissioner, the insurer shall provide additional information, documents, records, and other data pertaining to the termination or activity of the producer.

(b) If an insurer discovers, upon further review or investigation, additional information that would have been reportable to the commissioner under subsection (a) had the insurer known of the existence of the additional information, the insurer or an authorized representative of the insurer shall promptly notify the commissioner of

the additional information in a format acceptable to the commissioner.

(c) A copy of the notification of termination of a producer that must be provided to the commissioner under this section shall also be provided to the producer as follows:

(1) Not more than fifteen (15) days after making the notification required under subsection (a) or (b), the insurer shall mail a copy of the notification to the producer at the producer's last known address. If the producer is terminated for cause for any of the reasons described in section 12 of this chapter, the insurer shall provide a copy of the notification to the producer at the producer's last known address by certified mail, return receipt requested, postage prepaid, or by overnight delivery using a nationally recognized carrier.

(2) Not more than thirty (30) days after the producer has received the original or additional notification, the producer may file written comments concerning the substance of the notification with the commissioner. The producer shall, by the same means used by the producer to file the written comments with the commissioner, simultaneously send a copy of the comments to the reporting insurer, and the comments shall become a part of the commissioner's file and accompany every copy of a report distributed or disclosed for any reason about the producer as permitted under subsection (e).

(d) Immunities under this section are as follows:

(1) In the absence of actual malice, an insurer, an authorized representative of an insurer, a producer, the commissioner, and an organization of which the commissioner is a member and that compiles information and makes it available to other insurance commissioners or regulatory or law enforcement agencies are immune from civil liability, and a civil cause of action of any nature shall not arise against these entities or their respective agents or employees, as a result of:

(A) a statement or information required by or provided under this section or any information relating to a statement that may be requested in writing by the commissioner from an insurer or producer; or

(B) a statement by a terminating insurer to a producer or by a producer to a terminating insurer;

limited solely and exclusively to whether a termination for cause referred to in subsection (a) was reported to the commissioner, provided that the propriety of any termination for cause referred to in subsection (a) is certified in writing by an officer or authorized representative of the insurer or producer terminating the relationship.

(2) In any action brought against a person that may have immunity under subdivision (1) for:

(A) making a statement required under this section; or

(B) providing information relating to a statement that may be requested by the commissioner;

the party bringing the action must plead specifically in any allegation that subdivision (1) does not apply because the person

making the statement or providing the information did so with actual malice.

(3) Existing statutory or common law privileges or immunities are not abrogated or modified by subdivision (1) or (2).

(e) Confidentiality under this section is as follows:

(1) Documents, materials, and other forms of information in the control or possession of the department that are:

(A) furnished by:

(i) an insurer or producer; or

(ii) an employee or agent of an insurer acting on behalf of the insurer or producer; or

(B) obtained by the commissioner in an investigation under this section;

are confidential by law and privileged, are not subject to public inspection and copying under IC 5-14-3-3, are not subject to subpoena, and are not subject to discovery or admissible in evidence in any private civil action. However, the commissioner is authorized to use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties.

(2) Neither the commissioner nor any person who receives confidential documents, materials, or other information described in subdivision (1) while acting under the authority of the commissioner may be permitted or required to testify in any private civil action concerning the confidential documents, materials, or information described in subdivision (1).

(3) To assist in the performance of the commissioner's duties under this chapter, the commissioner may:

(A) share documents, materials, and other information, including the confidential and privileged documents, materials, and information described in subdivision (1), with:

(i) other state, federal, and international regulatory agencies;

(ii) the National Association of Insurance Commissioners, its affiliates or subsidiaries; and

(iii) state, federal, and international law enforcement authorities;

provided that the recipient agrees to maintain the confidentiality and privileged status of the documents, materials, or other information;

(B) receive documents, materials, and information, including otherwise confidential and privileged documents, materials, and information, from:

(i) the National Association of Insurance Commissioners, its affiliates or subsidiaries; and

(ii) regulatory and law enforcement officials of other foreign or domestic jurisdictions;

and shall maintain as confidential or privileged any document, material, or information received with notice or the understanding that it is confidential or privileged under the laws of the jurisdiction that is the source of the document, material, or information; and



(C) enter into agreements governing sharing and use of information consistent with this subsection.

(4) Disclosure of documents, materials, and information:

(A) to the commissioner; or

(B) by the commissioner;

under this section does not result in a waiver of any applicable privilege or claim of confidentiality in the documents, materials, or information.

(5) This chapter does not prohibit the commissioner from releasing final, adjudicated actions, including for cause terminations that are open to public inspection under IC 5-14, to a database or other clearinghouse service maintained by the National Association of Insurance Commissioners or by its affiliates or subsidiaries.

(f) If an insurer, an authorized representative of an insurer, or a producer fails to report as required under this section or is found to have reported falsely with actual malice by a court of competent jurisdiction, the commissioner may, after notice and hearing, suspend or revoke the license or certificate of authority of the insurer, authorized representative, or producer, and may fine the insurer, authorized representative, or producer under IC 27-4-1-6.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-16**

##### **Nonresident license applicant with license from other state**

Sec. 16. (a) The commissioner shall waive any requirements, except the requirements imposed by section 8 of this chapter, for a nonresident license applicant with a valid license from the applicant's home state if the applicant's home state awards nonresident licenses to residents of Indiana on the same basis.

(b) A nonresident producer's satisfaction of the nonresident producer's home state's continuing education requirements for licensed insurance producers also satisfies Indiana's continuing education requirements if the non-resident producer's home state recognizes the satisfaction of the non-resident producer's home state's continuing education requirements imposed upon producers from Indiana on the same basis.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-17**

##### **Reports of administrative actions or criminal prosecutions against producers**

Sec. 17. (a) A producer shall report to the commissioner any administrative action taken against the producer in another jurisdiction or by another governmental agency in Indiana not more than thirty (30) days after the final disposition of the matter. The report shall include a copy of the order, consent to order, or other relevant legal documents.

(b) Not more than thirty (30) days after an initial pretrial hearing date, a producer shall report to the commissioner any criminal prosecution of the producer initiated in any jurisdiction. The report shall include a copy of the initial complaint filed, the order resulting

from the hearing, and any other relevant legal documents.  
*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-18**

##### **Issuance of limited lines producer's license without examination**

Sec. 18. The commissioner may issue a limited lines producer's license to the following without examination:

- (1) A person who is a ticket-selling producer of a common carrier and who will act only with reference to the issuance of insurance on personal effects carried as baggage, in connection with the transportation provided by such common carrier.
- (2) A person who will only negotiate or solicit limited travel accident insurance in transportation terminals.
- (3) A limited line credit insurance producer.
- (4) A person who will only negotiate or solicit insurance under Class 2(j) of IC 27-1-5-1.
- (5) Any person who will negotiate or solicit a kind of insurance that the commissioner finds does not require an examination to demonstrate professional competency.

*As added by P.L.132-2001, SEC.3.*

#### **IC 27-1-15.6-19**

##### **Prearranged funeral insurance**

Sec. 19. (a) As used in this section, "prearranged funeral insurance" means insurance that is used to fund any of the following:

- (1) A funeral trust under IC 30-2-10 and IC 30-2-13.
- (2) Any other arrangement for advance payment of funeral and burial expenses.

(b) A person shall not sell, solicit, or negotiate prearranged funeral insurance unless the person is licensed as either of the following:

- (1) An insurance producer with a life qualification under section 7 of this chapter.
- (2) A limited lines producer.

(c) A person may be licensed as a limited lines producer to sell only prearranged funeral insurance if the person is:

- (1) licensed under IC 25-15-4-3; and
- (2) granted a change in status under subsection (d).

(d) If, after a person is licensed under this chapter as an insurance producer with a life qualification, the person wants to limit the person's insurance business solely to the sale of prearranged funeral insurance, the person must:

- (1) request the commissioner to issue the person a limited lines producer's license under this chapter; and
- (2) show proof of having completed ten (10) hours of continuing education credit approved by the department.

(e) If the commissioner receives a request and proof under subsection (d), the commissioner shall issue a limited lines producer's license, subject to the provisions of this chapter relating to limited lines producer's licenses.

(f) A person issued a limited lines producer's license under subsection (e) may sell only prearranged funeral insurance.

*As added by P.L.132-2001, SEC.3. Amended by P.L.1-2002, SEC.107.*

## **IC 27-1-15.6-20**

### **Crop hail insurance**

Sec. 20. (a) As used in this section, "crop hail insurance" means insurance that is used only in the event of hail related disasters to growing farm crops.

(b) As used in this section, "multi-peril crop insurance" means insurance that is:

- (1) used in the event of weather related disasters or insect infestations during the growing season; and
- (2) guaranteed by the Federal Crop Insurance Corporation.

(c) To sell multi-peril crop insurance or crop hail insurance, a person must be licensed under this chapter.

(d) If, after a person is licensed under this chapter as an insurance producer, the person wants to limit the person's insurance business solely to the sale of:

- (1) multi-peril crop insurance;
- (2) crop hail insurance; or
- (3) multi-peril crop insurance and crop hail insurance;

the person may request the commissioner to issue to the person a limited lines producer's license under this chapter.

(e) If the commissioner:

- (1) receives a request from a person under subsection (d); and
- (2) the person shows proof of having completed ten (10) hours of continuing education credit approved by the department;

the commissioner shall issue a limited lines producer's license to the person, subject to the provisions of this chapter relating to limited lines producer's licenses.

(f) A person issued a limited lines producer's license under subsection (e) may sell only:

- (1) multi-peril crop insurance;
- (2) crop hail insurance; or
- (3) multi-peril crop insurance and crop hail insurance.

*As added by P.L.132-2001, SEC.3.*

## **IC 27-1-15.6-21**

### **Service of process**

Sec. 21. (a) Service of process upon any nonresident producer licensee in any action or proceeding in any court of competent jurisdiction of Indiana arising out of the nonresident producer's insurance business in Indiana may be made by serving the commissioner with appropriate copies thereof and paying to the commissioner a fee of two dollars (\$2). The commissioner shall forward a copy of such process by registered or certified mail to the licensee at the licensee's last known address of record or principal place of business, and shall keep a record of all processes so served upon the commissioner.

(b) The service of process under subsection (a) is sufficient if notice of the service and a copy of the process are sent to the licensee at the licensee's last known address of record or principal place of business

by registered or certified mail, return receipt requested not more than ten (10) days after the commissioner is served.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-22**

#### **Compensation; restrictions**

Sec. 22. (a) An insurance producer may not receive compensation for the sale, solicitation, negotiation, or renewal of any insurance policy issued to any person or entity for whom the insurance producer, for a fee, acts as a consultant for that policy unless:

- (1) the insurance producer provides to the insured a written agreement in accordance with section 23(c) of this chapter; and
- (2) the insurance producer discloses to the insured the following information prior to the sale, solicitation, negotiation, or renewal of any policy:

(A) The fact that the insurance producer will receive compensation for the sale of the policy.

(B) The method of compensation.

(b) The requirements of this subsection are in addition to the requirements set forth in subsection (a). A risk manager described in IC 27-1-22-2.5(b)(2) shall, before providing risk management services to an exempt commercial policyholder (as defined in IC 27-1-22-2.5), disclose in writing to the exempt commercial policyholder whether the risk manager will receive or expects to receive any commission, fee, or other consideration from an insurer in connection with the purchase of a commercial insurance policy by the exempt commercial policyholder. However, if the risk manager charges the exempt commercial policyholder a fee for risk management services, the risk manager shall disclose in writing to the exempt commercial policyholder the specific amount of any commission, fee, or other consideration that the risk manager may receive from an insurer in connection with the purchase of the policy. The risk manager shall, before providing the risk management services, obtain from the exempt commercial policyholder a written acknowledgment of the disclosures made by the risk manager to the exempt commercial policyholder under this subsection.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-23**

#### **Insurance consultant license**

Sec. 23. (a) An individual or corporation shall not engage in the business of an insurance consultant until a consultant license has been issued to the individual or corporation by the commissioner. However, a consultant license is not required for the following:

- (1) An attorney licensed to practice law in Indiana acting in the attorney's professional capacity.
- (2) A duly licensed insurance producer or surplus lines producer.
- (3) A trust officer of a bank acting in the normal course of the trust officer's employment.
- (4) An actuary or a certified public accountant who provides information, recommendations, advice, or services in the actuary's or certified public accountant's professional capacity.

(b) An application for a license to act as an insurance consultant shall be made to the commissioner on forms prescribed by the commissioner. An applicant may limit the scope of the applicant's consulting services by stating the limitation in the application. The areas of allowable consulting services are:

- (1) Class 1, consulting regarding the kinds of insurance specified in IC 27-1-5-1, Class 1; and
- (2) Class 2 and Class 3, consulting regarding the kinds of insurance specified in IC 27-1-5-1, Class 2 and Class 3.

Within a reasonable time after receipt of a properly completed application form, the commissioner shall hold a written examination for the applicant that is limited to the type of consulting services designated by the applicant, and may conduct investigations and propound interrogatories concerning the applicant's qualifications, residence, business affiliations, and any other matter that the commissioner considers necessary or advisable in order to determine compliance with this chapter or for the protection of the public.

(c) For purposes of this subsection, "consultant's fee" does not include a late fee charged under section 24 of this chapter or fees otherwise allowed by law. A consultant shall provide consultant services as outlined in a written agreement. The agreement must be signed by the person receiving services, and a copy of the agreement must be provided to the person receiving services before any services are performed. The agreement must outline the nature of the work to be performed by the consultant and the method of compensation of the consultant. The signed agreement must be retained by the consultant for not less than two (2) years after completion of the services. A copy of the agreement shall be made available to the commissioner. In the absence of an agreement on the consultant's fee, the consultant shall not be entitled to recover a fee in any action at law or in equity.

(d) An individual or corporation shall not concurrently hold a consultant license and an insurance producer's license, surplus lines producer's license, or limited lines producer's license at any time.

(e) A licensed consultant shall not:

- (1) employ;
- (2) be employed by;
- (3) be in partnership with; or
- (4) receive any remuneration whatsoever;

from a licensed insurance producer, surplus lines producer, or limited lines producer or insurer, except that a consultant may be compensated by an insurer for providing consulting services to the insurer.

(f) A consultant license shall be valid for not longer than twenty-four (24) months and may be renewed and extended in the same manner as an insurance producer's license. The commissioner shall designate on the license the consulting services that the licensee is entitled to perform.

(g) All requirements and standards relating to the denial, revocation, or suspension of an insurance producer's license, including penalties, apply to the denial, revocation, and suspension of a consultant license as nearly as practicable.

(h) A consultant is obligated under the consultant's license to:

- (1) serve with objectivity and complete loyalty solely the insurance interests of the consultant's client; and
- (2) render the client such information, counsel, and service as within the knowledge, understanding, and opinion, in good faith of the licensee, best serves the client's insurance needs and interests.

(i) Except as provided in subsection (j), the form of a written agreement required by subsection (c) must be filed with the commissioner not less than thirty (30) days before the form is used. If the commissioner does not expressly approve or disapprove the form within thirty (30) days after filing, the form is considered approved. At any time after notice and for cause shown, the commissioner may withdraw approval of a form effective thirty (30) days after the commissioner issues notice that the approval is withdrawn.

(j) Subsection (i) does not apply to the form of a written agreement under subsection (c) that is executed by an insurance producer and an exempt commercial policyholder (as defined in IC 27-1-22-2.5).

*As added by P.L.132-2001, SEC.3.*

## **IC 27-1-15.6-24**

### **Commercial property and casualty insurance**

Sec. 24. (a) This section applies to commercial property and casualty insurance coverage described in Class 2 and Class 3 of IC 27-1-5-1.

(b) A licensed insurance producer may charge a commercial insured a reasonable fee to reimburse the insurance producer for expenses incurred by the insurance producer at the specific request of the commercial insured, subject to the following requirements:

(1) Before incurring any expense described in this subsection, the insurance producer must provide written notice to the commercial insured stating that a fee will be charged and setting forth the:

(A) amount of the fee; or

(B) basis for calculating the fee.

(2) The amount of a fee and the basis for calculating a fee may not vary among commercial insureds.

(3) Any fee that is charged must be identified separately from premium and itemized in any bill provided to the commercial insured.

(c) A licensed insurance producer may charge a commercial insured a reasonable fee for services that are provided at the request of the commercial insured in connection with a policy that provides coverage described in subsection (a) and for which the insurance producer does not receive a commission or other compensation, subject to the following requirements:

(1) Before providing services, the insurance producer must provide to the commercial insured a written description of the services to be provided and the fee for the services.

(2) Any fee that is charged must be identified separately from premium and itemized in any bill provided to the commercial insured.

(d) A licensed insurance producer who acts as a consultant and

provides services described in this section shall comply with the requirements of this section and section 23 of this chapter.

(e) A licensed insurance producer may charge a late fee for agency billed accounts or policies that are more than thirty (30) days delinquent. A late fee may not exceed one and three quarters percent (1.75%) per month of the amount due on the due date.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-25**

#### **Representation of a fraternal benefit society**

Sec. 25. An individual who performed the functions of a person representing a fraternal benefit society before July 1, 1977, is not required to take an examination, but is entitled to have an insurance producer's license issued to the individual, subject to IC 27-1-15.7 and the requirements of this chapter.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-26**

#### **Limited lines producer**

Sec. 26. A person who performed the functions of a limited lines producer negotiating or soliciting the type of insurance described in IC 27-1-5-1, Class 2(j) before July 1, 1977, is not required to take an examination, but is entitled to have an insurance producer's license issued to the individual, subject to IC 27-1-15.7 and the requirements of this chapter.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-27**

#### **Solicitor's license**

Sec. 27. A person who held a valid solicitor's license on July 1, 1977, is subject to the same rights and responsibilities under a solicitor's license as the rights and responsibilities that were in effect before enactment of this chapter.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-28**

#### **Suspension of license**

Sec. 28. (a) Upon receiving an order of a court issued under IC 31-14-12-7 or IC 31-16-12-10 (or IC 31-1-11.5-13(m) or IC 31-6-6.1-16(m) before their repeal), the commissioner shall:

(1) suspend a license issued under this chapter to the person who is the subject of the order; and

(2) promptly mail a notice to the last known address of the person who is the subject of the order, stating the following:

(A) That the person's license is suspended beginning five (5) business days after the date the notice is mailed, and that the suspension will terminate not earlier than ten (10) business days after the commissioner receives an order allowing reinstatement from the court that issued the suspension order.

(B) That the person has the right to petition for reinstatement of a license issued under this chapter to the court that issued

the order for suspension.

(b) The commissioner shall not reinstate a license suspended under subsection (a) until the commissioner receives an order allowing reinstatement from the court that issued the order for suspension.

*As added by P.L.132-2001, SEC.3.*

## **IC 27-1-15.6-29**

### **Probationary status**

Sec. 29. (a) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-34(i), the commissioner shall send to the person who is the subject of the order a notice that does the following:

- (1) States that the person is delinquent and is subject to an order placing the person on probationary status.
- (2) Explains that unless the person contacts the bureau and:
  - (A) pays the person's child support arrearage in full;
  - (B) requests the activation of an income withholding order under IC 31-16-15-2, and establishes a payment plan with the bureau to pay the arrearage; or
  - (C) requests a hearing under IC 12-17-2-35;

within twenty (20) days after the date the notice is mailed, the commissioner shall place the person on probationary status with respect to a license issued to the person under this chapter.

- (3) Explains that the person may contest the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status by making written application to the bureau within twenty (20) days after the date the notice is mailed.

- (4) Explains that the only basis for contesting the bureau's determination that the person is delinquent and subject to an order placing the person on probationary status is a mistake of fact.

- (5) Explains the procedures to:

- (A) pay the person's child support arrearage in full;
- (B) establish a payment plan with the bureau to pay the arrearage;
- (C) request the activation of an income withholding order under IC 31-16-15-2; and
- (D) request a hearing under IC 12-17-2-35.

- (6) Explains that the probation will terminate ten (10) business days after the commissioner receives a notice from the bureau that the person has:

- (A) paid the person's child support arrearage in full; or
- (B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

(b) Upon receiving an order from the bureau (Title IV-D agency) under IC 12-17-2-36(d), the commissioner shall send a notice to the person who is the subject of the order stating the following:

- (1) That a license issued to the person under this chapter has been placed on probationary status, beginning five (5) business days after the date the notice was mailed, and that the probation will terminate ten (10) business days after the commissioner receives



a notice from the bureau that the person has:

- (A) paid the person's child support arrearage in full; or
- (B) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

(2) That if the commissioner is advised by the bureau that the person whose license has been placed on probationary status has failed to:

- (A) pay the person's child support arrearage in full; or
- (B) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;

within twenty (20) days after the date the notice is mailed, the commissioner shall suspend the person's license.

(c) If the commissioner receives a notice by the bureau (Title IV-D agency) under IC 12-17-2-34(i) that the person whose license has been placed on probationary status has failed to:

- (1) pay the person's child support arrearage in full; or
- (2) establish a payment plan with the bureau to pay the arrearage and request the activation of an income withholding order under IC 31-16-15-2;

within twenty (20) days after the notice required under subsection (b) is mailed, the commissioner shall suspend the person's license.

(d) The commissioner may not reinstate any license placed on probation or suspended under this section until the commissioner receives a notice from the bureau that the person has:

- (1) paid the person's child support arrearage in full; or
- (2) established a payment plan with the bureau to pay the arrearage and requested the activation of an income withholding order under IC 31-16-15-2.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-30**

#### **Authority to enforce compliance**

Sec. 30. The commissioner and the director of the department of financial institutions shall consult with each other and assist each other in enforcing compliance with the provisions of IC 28 concerning the sale of life insurance policies and annuity contracts. The commissioner and the director of the department of financial institutions may jointly conduct investigations, prosecute suits, and take other official action that the commissioner and the director consider appropriate under this section if either the commissioner or the director is empowered to take the action. If the director of the department of financial institutions is informed by a financial institution or its affiliate of a violation or suspected violation of any provision of IC 28 concerning the sale of life insurance policies or annuity contracts or of the insurance laws and rules of Indiana, the director of the department of financial institutions shall timely advise the commissioner of the violation. If the commissioner is informed by a financial institution or its affiliate of a violation or suspected violation of any provision of IC 28 concerning the sale of life insurance policies or annuity contracts or of the

insurance laws and rules of Indiana, the commissioner shall timely advise the director of the department of financial institutions of the violation.

*As added by P.L.132-2001, SEC.3. Amended by P.L.1-2002, SEC.108.*

### **IC 27-1-15.6-31**

#### **Producers not to be named as beneficiaries**

Sec. 31. An insurance producer shall not:

- (1) be named a beneficiary of;
- (2) become an owner of; or
- (3) receive a collateral assignment of;

an individual life insurance policy or individual annuity contract unless the insurance producer has an insurable interest in the life of the insured or annuitant. A beneficiary designation, ownership designation, or collateral assignment made in violation of this section is void.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-32**

#### **Fees for licensure**

Sec. 32. (a) The department shall adopt rules under IC 4-22-2 to set fees for licensure under this chapter, IC 27-1-15.7, and IC 27-1-15.8.

(b) Insurance producer and limited lines producer license renewal fees are due every four (4) years. The fee charged by the department every four (4) years for a:

- (1) resident license is forty dollars (\$40); and
- (2) nonresident license is ninety dollars (\$90).
- (c) Consultant renewal fees are due every twenty-four (24) months.
- (d) Surplus lines producer renewal fees are due annually.

(e) The commissioner may issue a duplicate license for any license issued under this chapter. The fee charged by the commissioner for the issuance of a duplicate:

- (1) insurance producer license;
- (2) surplus lines producer license;
- (3) limited lines producer license; or
- (4) consultant license;

may not exceed ten dollars (\$10).

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-33**

#### **Rules**

Sec. 33. Except as otherwise provided in section 32 of this chapter, the commissioner may adopt rules under IC 4-22-2 to carry out the purposes of this chapter.

*As added by P.L.132-2001, SEC.3.*

### **IC 27-1-15.6-34**

#### **Hearings**

Sec. 34. All hearings held under this chapter are governed by IC 4-21.5-3. The commissioner may appoint members of the commissioner's staff to act as hearing officers for purposes of hearings held under this chapter.

*As added by P.L.132-2001, SEC.3.*